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DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-817]

Oil Country Tubular Goods from the Republic of Turkey: Final Results of Countervailing Duty Administrative Review; 2017

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) has completed its administrative review of the countervailing duty (CVD) order on oil country tubular goods (OCTG) from the Republic of Turkey (Turkey). We determine that Borusan Mannesmann Boru Sanayi ve Ticaret A.S., Borusan Istikbal Ticaret T.A. S., Borusan Mannesmann Boru Yatirim Holding A.S., and Borusan Holding A.S., (collectively, Borusan), received countervailable subsidies during the period of review (POR), January 1, 2017 through December 31, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Aimee Phelan, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0697.

SUPPLEMENTARY INFORMATION:

Background

On August 12, 2019, Commerce published the *Preliminary Results* of this CVD administrative review in the *Federal Register*.¹ We invited interested parties to comment on the *Preliminary Results*. In September 2019, we received timely filed case and rebuttal briefs from the United States Steel Corporation, TMK IPSCO, Vallourec Star, L.P., and Welded Tube USA (collectively, the petitioners) and Borusan. On November 7, 2019, we held a public hearing² on the *Preliminary Results*.³

Scope of the Order

The merchandise covered by the order is certain OCTG, which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the order also covers OCTG coupling stock. The merchandise subject to the order is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80,

¹ See *Oil Country Tubular Goods from the Republic of Turkey: Preliminary Results of Countervailing Duty Administrative Review; 2017*, 84 FR 39797 (August 12, 2019) (*Preliminary Results*) and accompanying Preliminary Decision Memorandum.

² See Public Hearing Transcript, “Administrative Review of the Countervailing Duty Order on Certain Oil Country Tubular Goods from the Republic of Turkey,” dated November 7, 2019.

³ See Memorandum, “Issues and Decision Memorandum for the Final Results of Countervailing Duty Administrative Review of Oil Country Tubular Goods from the Republic of Turkey; 2017,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum) at 2-3.

7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50. The merchandise subject to the order may also enter under the following HTSUS item numbers: 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, 7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, 7304.59.80.80, 7305.31.40.00, 7305.31.60.90, 7306.30.50.55, 7306.30.50.90, 7306.50.50.50, and 7306.50.50.70. The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the order is dispositive. A full description of the scope of the order is contained in the Issues and Decision Memorandum.⁴

Analysis of Comments Received

All issues raised by the interested parties in their case and rebuttal briefs are addressed in the Issues and Decision Memorandum.⁵ These issues are identified in the Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and CVD Centralized Electronic Service

⁴ *Id.* at 2-3.

⁵ *Id.* at 4-15.

System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>; the Issues and Decision Memorandum is available to all parties in the Central Records Unit, Room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Methodology

We conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable during the POR, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶ For a full description of the methodology underlying our conclusions, *see* the Issues and Decision Memorandum.

Changes Since the Preliminary Results

Based on the comments received from the petitioners and Borusan, we revised the calculation of the net countervailable subsidy rate for Borusan. For a discussion of these issues, *see* the Issues and Decision Memorandum.

Final Results of the Review

⁶ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and, section 771(5A) of the Act regarding specificity.

In accordance with 19 CFR 351.221(b)(5), we determine the following net countervailable subsidy rate for Borusan,⁷ for the period January 1, 2017 through December 31, 2017:

| Company | Subsidy Rate (percent <i>ad valorem</i>) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Borusan Mannesmann Boru Sanayi ve Ticaret A.S., Borusan Istikbal Ticaret T.A.S., Borusan Mannesmann Boru Yatirim Holding A.S., and Borusan Holding A.S., (collectively, Borusan) | 0.90 percent |

⁷ Commerce has determined that Borusan Mannesmann Boru Sanayi ve Ticaret A.S., Borusan Istikbal Ticaret T.A.S., Borusan Mannesmann Boru Yatirim Holding A.S., and Borusan Holding A.S. are cross-owned. *See* Preliminary Decision Memorandum.

Assessment Rates

In accordance with 19 CFR 351.212(b)(2), Commerce intends to issue appropriate assessment instructions to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of these final results of review. We will instruct CBP to liquidate shipments of subject merchandise produced by and/or exported by Borusan, entered, or withdrawn from warehouse, for consumption on or after January 1, 2017 through December 31, 2017, at the *ad valorem* rate listed above.

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, we intend to instruct CBP to collect cash deposits of estimated countervailing duties at the rate shown above for Borusan, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Orders

This notice also serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

We are issuing and publishing these final results of review in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.221(b)(5).

Dated: December 9, 2019.

Christian Marsh,
Deputy Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Scope of the Order
- III. Subsidies Valuation Information
- IV. Benchmark Interest Rates
- V. Analysis of Programs
- VI. Analysis of Comments
 - Comment 1: How to Attribute Subsidies Received by Borusan on a D-3 Certificate Under the Inward Processing Certificate Program;
 - Comment 2: Whether Commerce Should Use a Tier 2 Benchmark in the Provision for Less Than Adequate Remuneration (LTAR) Program Because Commerce Found That a Particular Market Situation (PMS) Distorts the Turkish Market;
 - Comment 3: How to Treat the Customs Duty and Value Added Tax (VAT) Exemptions Received by Borusan Under the Investment Encouragement Program (IEP)
- VII. Recommendation

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